

**House Bill 4240 - House Committee on Government Operations - May 31, 2005**

**Submission by State Representative Rick Shaffer**

Mr. Chairman, and Members of the Committee:

Thank you for allowing me this opportunity to present my bill and explain the need for it.

In May of 2004, the Secretary of State announced a regionalization of branch services, culminating in the proposed closure of over twenty branches across the state, some to be consolidated with others, to form Super Centers and Plus branches.

These branches are intended to provide a wider range of service opportunities than are currently available. While most of the closures fall within the Metro Area of Detroit, nine branches are in rural areas of the state and their closure will cause hardship and difficulties for the population that they serve.

In my own district the problems and difficulties which Three Rivers area residents will face will undoubtedly be multiplied across other communities across the state similarly affected. My office has received close to 700 complaints via email, telephone or postcard – and that number relates to the point AFTER we started keeping track of the complaints. It is also often the first topic of conversation raised with me by constituents when I am in the district. There is great frustration about this proposal.

I recognize that the Secretary of State must control expenditures within the department, but I am deeply concerned that the criteria being used to close particularly rural branches, is non-responsive to the needs of the residents in those areas.

Further, there was no consultation with the communities likely to be affected. In fact, our Three Rivers residents only learned that their branch was to be closed on the day when the public presentation of the plan was rolled out state wide.

Since that time, numerous meetings have held with the Secretary of State regarding the proposal by both by district representatives (in both Chambers), along with local officials and independent members of the public.

The Secretary of State claims that current legislation restricts the ability to use factors other than population to determine placement of offices, to 10,000 within a city proper. The intention of my bill is to widen that catchment area to include a surrounding 10 mile radius in rural locations, proposed legislation is intended to apply to existing branches only.

Therefore, I have some serious concerns about the impact of closure of the existing branches on customers affected by those branches. In St. Joseph County, the Three Rivers branch has an average of 67,000 transactions per year. If one assumes an average of three transactions per year, per customer that means that 20,000 area residents will be inconvenienced to a very great degree by the closure of their Secretary of State Branch.

In previous testimony to another committee, representatives of the Secretary of State's office said that the Secretary shared that people do not like to stand in line. I would concur, however, it does not seem likely that the amalgamation of two offices (in my district) which have a combined total of close on to 100,000 transactions a year is going to change that situation.

Up to now the emphasis would appear to be on the cost savings which relate to facility operations and leases since it has been clearly stated that staff will all be transferred to another existing branch.

There appears to have been no substantive study done to identify the fiscal savings of the proposed closures (which on the face of it would be minimal). The staff from closed branches, are to be transferred to the consolidated branch, and new electronic self-serve machines installed to facilitate efficient movement through the branch.

I would ask the department what percentage of those savings will be expended with the installation of new or upgraded information technology requirements, including the proposed on-line booths, which another state department found too expensive to maintain.

Opposition, which you will hear from the representatives of the Secretary of State's office, will refer to other methods of transactions, primarily on-line or by mail, however, they do not address the issues of new license issuance, license re-issue where eye-tests are required, updated photo requirements, I.D. cards and the like. There are also those who may change their address, or wish to register to vote. The legislature is in the process of approving a new Michigan license plate which will have to be manually distributed.

These transactions will still require face-to-face interaction.

Most of the people who fall into these categories of needing to actually visit a Secretary of State's office are young people obtaining their first license and senior citizens. For those individuals whose existing branch is closed, this will now involve a minimum of an additional 50 mile round trip not to mention the increased cost to them for gas and the time commitment.

The level of concern about this issue can be monitored by the number of calls, letters and emails received by my office, Additionally several of my house colleagues have shared they are having the same correspondence and concerns.

In my office alone we have received nearly 700 complaints (via postcard, email, telephone and letter) about the proposed closure of the Three Rivers branch, and it has been one of the first topics that constituents ask me about when I meet them in the district.

The following two concerns continue to surface during community forums

1). If there are to be no job losses, with this electronic upgrade, why should the residents of rural districts, be thus inconvenienced?

2) Longer hours have also been stated as an attraction. Comparison of the current hours of our local rural branch office and an existing SOS Plus center which opened recently, show that the longer hours claim translates into just two hours more a week. Very few of the new offices qualify for the proposed Saturday opening hours.

In summary, I believe that our legislature should strive to put forward bills in language which meets the needs of all of our state's residents, including those in rural areas. By using the population density for a city proper, and not taking into account sub-divisions or density of population close by, we are doing a disservice to the very citizens we are here to represent.

In the previous session, we approved the raising of rates and fees charged by the Secretary of State which has had a deep impact on those at the lower level of income, and in rural areas the level of income tends to be lower rather than higher. Now we are asking those same residents to shoulder the burden of additional costs to abide by the laws which we have set. Cost which will translate into higher gas consumption, loss of work time, and severe inconvenience.

I accept the fact that state government needs to trim costs; however, I remain unconvinced that consolidating offices, with no increase in staff, and minimal increase in hours can achieve much in the way of savings, or efficiency!

Thank you for the opportunity to share, on behalf of a large sector of my constituency, (along with those other Michigan residents that will be similarly affected) and I am happy to answer questions the committee may have.

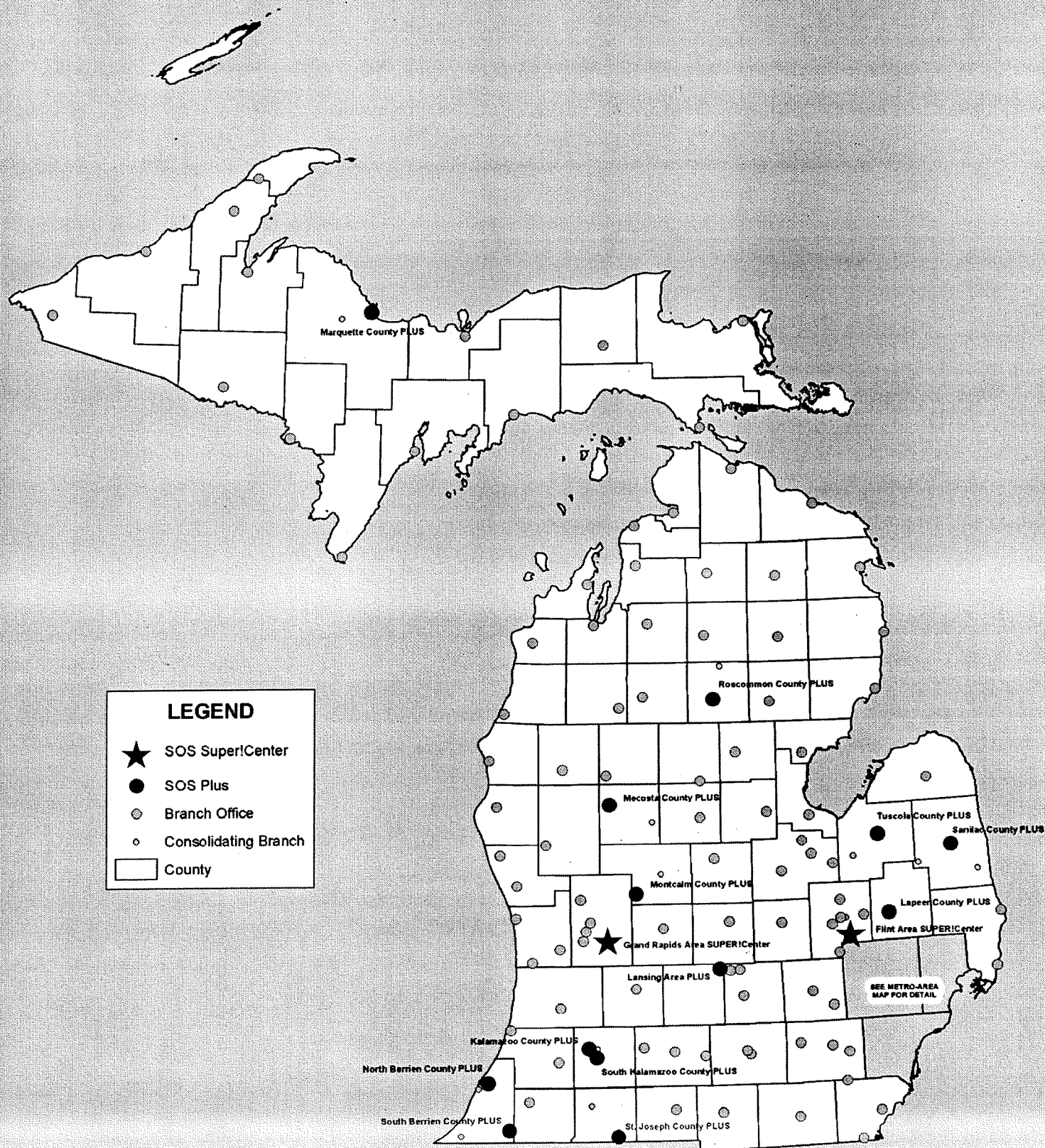
## **HB 4240 – Representative Rick Shaffer**

### **Rural offices affected by Secretary of State branch consolidation plan:**

1. Combining Ishpenning with Marquette to form Marquette SOS PLUS
2. Combining Prudenville and Roscommon to form Roscommon County SOS PLUS
3. Combining Remus with Big Rapids to form Mecosta County SOS PLUS
4. Combining Stanton with Greenville to form Montcalme County SOS PLUS
5. Combining Marlette, Croswell and Sandusky to form Sanilac County SOS PLUS
6. Combining Vassar with Caro to form Tuscola County SOS PLUS
7. Combining Clinton Township and Roseville to form Macombe SOS PLUS
8. Combining Three Oaks with Niles to form South Berrien county SOS PLUS (already achieved, center is now open).
9. Combining Three Rivers and Sturgis to form St. Joseph County SOS PLUS

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### Excerpt from Secretary of State's press release in April 2004

"Twenty-two SOS PLUS offices will offer some of those same services, with the exception of Saturday hours. SOS PLUS offices are planned for Marquette County, Roscommon County, Mecosta County, Sanilac County, Tuscola County, Lapeer County, Montcalm County, Eaton County (Lansing Area), Kalamazoo County, South Kalamazoo County, North Berrien County (Benton Harbor-St. Joseph), South Berrien County (Niles), St. Joseph County, Southeast Macomb County (St. Clair Shores), Central Oakland County (Pontiac), Southwest Oakland County (Novi - Northville), Northwest Detroit, Northeast Wayne County (Dearborn Heights - Redford), Central Wayne County (Westland), West Wayne County (Canton), Southeast Wayne County (Lincoln Park), and Southwest Wayne County (Belleville).

The PLUS offices will be the first targeted to offer customers the option of paying for any transaction by credit card at the counter.

The new offices are being created with existing resources and will not require additional revenue. Staff and resources will be reallocated as needed, resulting in some office consolidations throughout the state. The Department of State is working with communities to identify the best sites for the offices.

- Additional full-time staff
- Extended or expanded service hours, ( **M,T, Th, F:** 9am-5pm

**Wednesday:** 9am-7pm)

- An on-site customer-service specialist
- A designated service area for auto dealers, which will help to shorten waiting times for other customers
- Cabling within the facilities that allows for high-speed technological upgrades
- Self-service stations that give eligible customers the option of renewing their vehicle registrations by credit card
- Specialized services such as mechanic testing, obtaining instant titles, and driver assessment and appeals
- Improved access (parking, bus routes, located off of major roadways) "

### Current hours of Three Rivers branch advertised on Secretary of State web-site:

Three Rivers hours currently: **M,T,Th,F:** 9am-5pm, **Wednesday:** 11am-7pm